

STATE OF CALIFORNIA  
Budget Change Proposal - Cover Sheet  
DF-46 (REV 08/15)

Fiscal Year 2016-17	Business Unit 4150	Department Department of Managed Health Care	Priority No. 1
Budget Request Name 4150-001-BCP-BR-2016-GB		Program 3870-Health Plan Program	Subprogram

Budget Request Description  
Infrastructure and Support Services

Budget Request Summary

The Department of Managed Health Care (DMHC) requests 2.0 permanent positions and \$247,000 for FY 2016-17 and \$234,000 for FY 2017-18 and ongoing to ensure the DMHC can address the critical administrative workload resulting from program expansions resulting from the implementation of the Affordable Care Act (ACA) and conforming state legislation.

Requires Legislation <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Code Section(s) to be Added/Amended/Repealed
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Does this BCP contain information technology (IT) components? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <i>If yes, departmental Chief Information Officer must sign.</i>	Department CIO	Date
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For IT requests, specify the date a Special Project Report (SPR) or Feasibility Study Report (FSR) was approved by the Department of Technology, or previously by the Department of Finance.

☐ FSR ☐ SPR Project No. Date:

If proposal affects another department, does other department concur with proposal? ☐ Yes ☒ No  
*Attach comments of affected department, signed and dated by the department director or designee.*

Prepared By Jennifer Clark, CFO	Date January 4, 2016	Reviewed By <i>Amelia M. Seegart</i>	Date 1-4-2016
Department Director <i>Mad R</i>	Date 1/4/2016	Agency Secretary <i>Core</i>	Date 1-6-16

Department of Finance Use Only

Additional Review: ☐ Capital Outlay ☐ ITCU ☐ FSCU ☐ OSAE ☐ CALSTARS ☐ Dept. of Technology

BCP Type: ☐ Policy ☒ Workload Budget per Government Code 13308.05

PPBA *Greg N. Matt* Date submitted to the Legislature

JAN 07 2016

## Analysis of Problem

### A. Budget Request Summary

The DMHC requests 2.0 permanent positions and \$247,000 for FY 2016-17 and \$234,000 for FY 2017-18 and ongoing to ensure the DMHC can address the critical administrative workload resulting from program expansions resulting from the implementation of the ACA and conforming state legislation. The requested permanent positions are as follows:

Program/Classification	Number of Positions
<b>Office of Administrative Services (OAS)</b>	
Associate Personnel Analyst (APA)	2.0
<b>Total Positions</b>	<b>2.0</b>

### B. Background/History

As a result of the enactment of the ACA and other legislation, the DMHC's programs have grown in excess of 25 percent over the past four years, with staffing levels increasing from 352.0 to 442.0. While BCPs were submitted to address the increased programmatic workload associated with the expansion of DMHC's oversight of managed health care plans, sufficient positions were not requested to address the correlated workload increases in support services. Of the 130 positions created in the past four years, one position was earmarked for the Office of Administrative Services (OAS). The considerable expansion in a rapid timeframe has strained existing departmental resources in OAS as there have been no additional positions created to support department-wide efforts.

Over the last two fiscal years the increase in workload resulting from program expansion far exceeded the department's capacity to complete the work using existing resources. In order to meet workload requirements resources were redirected from other areas and temporary help enlisted. Even with these resources, OAS still experienced difficulties completing assignments within designated timeframes. While OAS has prioritized certain less crucial tasks, the workload must be addressed. With the requested resources, the DMHC will not be able to address its critical administrative activities in a timely manner. This will have a direct and immediate impact throughout DMHC's programs.

#### Resource History (Dollars in thousands)

Program Budget	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15
Authorized Expenditures		5,140,084	5,037,710	\$4,875,263	\$4,992,841
Actual Expenditures		3,653,724	3,485,502	\$3,587,789	\$4,079,927
Revenues		-	-	-	-
Authorized Positions		46.5	35.0	35.0	35.0
Filled Positions		33.0	31.0	32.0	33.0
Vacancies		13.5	4.0	3.0	2.0

#### Workload History

Workload Measure	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15	CY (Projected)
Number of hires (includes recruitment and retention tasks, hiring process, verification of employment eligibility, etc.).				121	195	225
▪ Number of Requests for Personnel Action processed.				352	406	440



## Analysis of Problem

▪ Number of Job Applications processed.				6,722	8,525	9,000
▪ Number of Job Opportunity Bulletins processed.				147	172	250

### C. State Level Considerations

This request provides the additional resources necessary to ensure the DMHC can address the critical administrative workload resulting from program expansions resulting from the implementation of the ACA and conforming state legislation.

### D. Justification

#### Office of Administrative Services (OAS)

OAS is responsible for supporting staff by providing a considerable array of personnel (i.e., recruitment, retention, training, benefits, leave, reasonable accommodation, discipline issues); accounting (i.e., travel expense claims, payroll warrants and checks); and facility (i.e., ergonomic evaluations, telecom and repair requests) services. In addition to employee services, OAS is responsible for ensuring that departmental resources are utilized appropriately, in part by managing budget allotments against expenditures and projections. This also includes the coordination, review and approval of all related contracts, purchases, invoices, receipts, timesheets, duty statements, and classification justifications.

OAS has experienced growth in all facets of its operations since the implementation of the ACA. In order to complete the increased workload, managers have had to work extra hours of overtime, retired annuitants have been heavily relied upon, and existing staff resources have been redirected when possible to support these efforts.

The increase in workload is most noticeably experienced in Human Resources. The DMHC's vacancy rate climbed to more than 30 percent by the fall of 2014, mostly due to health care reform. Significant steps have been taken to reduce the DMHC's vacancies; however, more resources are needed to make additional improvements in processing time and accuracy to bring the vacancy rate down to the average expected of state agencies and to ensure it remains at that level or lower.

This proposal provides the necessary resources to better align DMHC support services in OAS with the increase in staffing other DMHC programs have realized.

### E. Outcomes and Accountability

This proposal is intended to provide the resources necessary to ensure the DMHC can address the critical administrative workload in Human Resources resulting from program expansions required by the ACA and conforming state legislation.

#### Projected Outcomes

Workload Measure	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21
Process Requests for Personnel Actions (includes recruitment and retention tasks, hiring process, verification of employment eligibility, changes to employment conditions, etc.)	109	109	109	109	109	109
Review of employee grievances, progressive discipline issues, and adverse actions.	15	15	15	15	15	15

## Analysis of Problem

Provide consultation and guidance to managers and supervisors concerning civil service laws, rules, personnel management practices, progressive discipline, and collective bargaining agreements.	520	520	520	520	520	520
Evaluate position and organizational proposals to ensure proper staffing hierarchy utilizing class specifications, allocation guidelines, laws, rules, and regulations.	12	12	12	12	12	12
Research, analyze data, develop alternatives, present recommendations, and implement solutions for a variety of human resources related tasks, issues, and projects.	4	4	4	4	4	4
Research and conduct job analyses of departmental classifications in accordance with Uniform Guidelines on Employee Selection Procedures. Includes compiling, analyzing, and composing tasks and knowledge, skill, and ability listings for each classification; subject matter expert review; and survey and results analysis.	10	10	10	10	10	10
Develop and administer valid and legally defensible examinations for state employment. Includes question, answer, and rating criteria development in compliance with CalHR specifications.	10	10	10	10	10	10
Develop supporting documents for recruitments including bulletins, minimum qualification review sheets, and other exam planning documents.	10	10	10	10	10	10
Review examination applications for minimum qualifications (1 task per exam).	15	15	15	15	15	15
Certify eligibility of new hires on employment lists.	50	50	50	50	50	50
Complete and submit 607 forms to the State Controller's Office and Department of Finance - establishes, re-classes, or redirects positions. Verify changes made through the 607 process against the State Controller's Office's monthly position report.	65	65	65	65	65	65
Develop and maintain departmental roster and organizational charts – includes movement, blanket, limited-term, intermittent, retired annuitant, student, and seasonal position tracking (1 task per division).	12	12	12	12	12	12

## F. Analysis of All Feasible Alternatives

**Alternative 1:** Approve DMHC's request for 2.0 permanent positions and \$247,000 for FY 2016-17 and \$234,000 for FY 2017-18 and ongoing to address critical administrative workload.

Pros:

- The DMHC will have the necessary resources to perform critical administrative workload.



## Analysis of Problem

### Cons:

- Increases the size of State government and expenditures.

**Alternative 2:** Approve the request at a lower level.

### Pros:

- Allows DMHC to process certain administrative tasks.
- Lower statewide growth than alternative 1.

### Cons:

- Less positions and funding would result in the redirection of staff resources to perform essential personnel-related tasks/activities—potentially creating a backlog of work.

**Alternative 3:** Deny the request in which case DMHC will have to redirect existing resources in entirety.

### Pros:

- Does not increase the size of State government or expenditures.

### Cons:

- Does not address the workload issues facing OAS.
- Potentially creates a backlog of work.

## G. Implementation Plan

The 2.0 permanent positions requested are effective July 1, 2016. The DMHC will start recruitment in late FY 2015-16 to ensure these positions are filled by that date.

## H. Supplemental Information

N/A

## I. Recommendation

**Alternative 1:** Approve DMHC's request for 2.0 permanent positions and \$247,000 for FY 2016-17 and \$234,000 for FY 2017-18 and ongoing to address critical administrative workload.

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# BCP Fiscal Detail Sheet

BCP Title: Infrastructure and Support Services

DP Name: 4150-001-BCP-DP-2016-GB

## Budget Request Summary

	FY16					
	CY	BY	BY+1	BY+2	BY+3	BY+4
Positions - Permanent	0.0	2.0	2.0	2.0	2.0	2.0
<b>Total Positions</b>	<b>0.0</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>
Salaries and Wages						
Earnings - Permanent	0	124	124	124	124	124
<b>Total Salaries and Wages</b>	<b>\$0</b>	<b>\$124</b>	<b>\$124</b>	<b>\$124</b>	<b>\$124</b>	<b>\$124</b>
Total Staff Benefits	0	76	76	76	76	76
<b>Total Personal Services</b>	<b>\$0</b>	<b>\$200</b>	<b>\$200</b>	<b>\$200</b>	<b>\$200</b>	<b>\$200</b>
Operating Expenses and Equipment						
5301 - General Expense	0	17	4	4	4	4
5302 - Printing	0	2	2	2	2	2
5304 - Communications	0	2	2	2	2	2
5320 - Travel: In-State	0	6	6	6	6	6
5322 - Training	0	2	2	2	2	2
5324 - Facilities Operation	0	18	18	18	18	18
<b>Total Operating Expenses and Equipment</b>	<b>\$0</b>	<b>\$47</b>	<b>\$34</b>	<b>\$34</b>	<b>\$34</b>	<b>\$34</b>
<b>Total Budget Request</b>	<b>\$0</b>	<b>\$247</b>	<b>\$234</b>	<b>\$234</b>	<b>\$234</b>	<b>\$234</b>

## Fund Summary

Fund Source - State Operations						
0933 - Managed Care Fund	0	247	234	234	234	234
<b>Total State Operations Expenditures</b>	<b>\$0</b>	<b>\$247</b>	<b>\$234</b>	<b>\$234</b>	<b>\$234</b>	<b>\$234</b>
<b>Total All Funds</b>	<b>\$0</b>	<b>\$247</b>	<b>\$234</b>	<b>\$234</b>	<b>\$234</b>	<b>\$234</b>

## Program Summary

Program Funding						
3870 - Health Plan Program	0	247	234	234	234	234
9900100 - Administration	0	247	234	234	234	234
9900200 - Administration - Distributed	0	-247	-234	-234	-234	-234
<b>Total All Programs</b>	<b>\$0</b>	<b>\$247</b>	<b>\$234</b>	<b>\$234</b>	<b>\$234</b>	<b>\$234</b>

## Personal Services Details

			Salary Information								
Positions			Min	Mid	Max	CY	BY	BY+1	BY+2	BY+3	BY+4
5142 - Assoc Pers Analyst (Eff. 07-01-2016)						0.0	2.0	2.0	2.0	2.0	2.0
Total Positions						0.0	2.0	2.0	2.0	2.0	2.0
Salaries and Wages			CY	BY	BY+1	BY+2	BY+3	BY+4			
5142 - Assoc Pers Analyst (Eff. 07-01-2016)			0	124	124	124	124	124	124		
Total Salaries and Wages			\$0	\$124	\$124	\$124	\$124	\$124	\$124		
Staff Benefits											
5150350 - Health Insurance			0	35	35	35	35	35	35		
5150500 - OASDI			0	10	10	10	10	10	10		
5150600 - Retirement - General			0	31	31	31	31	31	31		
Total Staff Benefits			\$0	\$76	\$76	\$76	\$76	\$76	\$76		
Total Personal Services			\$0	\$200	\$200	\$200	\$200	\$200	\$200		